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CRAVATH, SWAINE &amp; MOORE

RECORDATION NO. .... Filed 1425

ONE CHASE MANHATTAN PLAZA

JUN 27 1980 -3 15 PM

COUNSEL

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BANK H. DETWEILER  
GEORGE G. TYLER

NEW YORK, N. Y. 10005

INTERSTATE COMMERCE COMMISSION

11945-6

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RCA 233663

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ROBERT D. DUFFE  
ROBERT F. MULLEN  
ALLEN FINKELSON  
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MAX R. SHULMAN  
WILLIAM P. DICKEY  
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JOHN W. WHITE

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. .... Filed 1425

JUN 27 1980 -3 15 PM

INTERSTATE COMMERCE COMMISSION

0-1794104

JUN 26 1980

Date  
Fee \$ 100.00

CC Washington, D. C.

June 26, 1980

Great Lakes Carbon Corporation  
Lease Financing (C) Dated as of May 15, 1980  
14-3/4% Conditional Sale Indebtedness Due 1998  
[CS&M Ref: 3909-033C]

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. § 11303(a), I enclose herewith on behalf of Great Lakes Carbon Corporation for filing and recordation, counterparts of the following:

1. (a) Conditional Sale Agreement dated as of May 15, 1980, between New England Merchants Leasing Corporation B-7 and Trinity Industries, Inc.; and

(b) Agreement and Assignment dated as of May 15, 1980, between Mercantile-Safe Deposit and Trust Company and Trinity Industries, Inc.

2. (a) Lease of Railroad Equipment dated as of May 15, 1980, between Great Lakes Carbon Corporation and New England Merchants Leasing Corporation B-7; and

(b) Assignment of Lease and Agreement dated as of May 15, 1980, between New England Merchants Leasing Corporation B-7 and Mercantile-Safe Deposit and Trust Company.

RECEIVED  
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FILE OPERATION*Concluded*

The addresses of the parties to the aforementioned agreements are:

Lessor-Vendee:

New England Merchants Leasing Corporation B-7,  
One Washington Mall, (16th fl)  
Boston, Massachusetts 02108

Builder-Vendor:

Trinity Industries, Inc.  
4001 Irving Blvd.  
Dallas, Texas 75207

Lessee:

Great Lakes Carbon Corporation  
299 Park Avenue  
New York, N. Y. 10017

Agent-Vendor-Assignee:

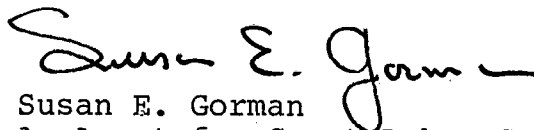
Mercantile-Safe Deposit and Trust Company,  
P. O. Box 2258  
Two Hopkins Plaza  
Baltimore, Maryland 21203.

The equipment covered by the aforementioned agreements consists of 230 100-ton covered triple hopper cars bearing the road numbers of the Lessee GLCX 8000-8229, inclusive, and also bearing the legend "Ownership Subject to a Security Agreement filed with the Interstate Commerce Commission".

Enclosed is our check for \$100 for the required recordation fee. Please accept for recordation one counterpart of each of the enclosed agreements, stamp the remaining counterparts with your recordation number and return them to the delivering messenger along with your fee receipt.

addressed to the undersigned.

Very truly yours,

A handwritten signature in cursive script, reading "Susan E. Gorman", followed by a horizontal line.

Susan E. Gorman  
As Agent for Great Lakes Carbon  
Corporation

Ms. Agatha Mergenovich,  
Secretary,  
Interstate Commerce Commission,  
Washington, D. C. 20423

Encls.

JUN 27 1980 -3 15 PM

## INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of May 15, 1980 (this "Assignment"), by and between NEW ENGLAND MERCHANTS LEASING CORPORATION B-7 (hereinafter called the "Lessor" or the "Vendee"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent (the "Vendor"), under a Participation Agreement dated as of the date hereof (the "Participation Agreement").

WHEREAS the Vendee is entering into a Conditional Sale Agreement dated as of the date hereof (the "CSA") with Trinity Industries, Inc. (the "Builder"), providing for the sale to the Vendee of such units of railroad equipment (the "Units") described in Annex B thereto as are delivered to and accepted by the Vendee thereunder;

WHEREAS the Lessor and Great Lakes Carbon Corporation (the "Lessee"), have entered into a Lease of Railroad Equipment dated as of the date hereof (the "Lease"), providing for the leasing by the Lessor to the Lessee of the Units; and

WHEREAS, in order to provide security for the obligations of the Lessor under the CSA and as an inducement to the Vendor to invest in the CSA Indebtedness (as defined in the CSA), the Lessor agrees to assign for security purposes, to the extent herein provided, its rights in, to and under the Lease to the Vendor;

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Lessor hereby assigns, transfers and sets over unto the Vendor, as collateral security for the payment and performance of the obligations of the Lessor as Vendee under the CSA, all the Lessor's right, title and interest, powers, privileges and other benefits under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee or otherwise under or pursuant to the provisions of the Lease,

whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such moneys so assigned being herein-after called the "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Lessor is or may become entitled to do under and with respect to the Lease; provided, however, that the term Payments as used herein shall not be deemed to include amounts payable by the Lessee to the Lessor as indemnification pursuant to § 6, 9 or 16 of the Lease. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Lessor or as attorney for the Lessor to ask, demand, sue for, collect and receive any and all Payments to which the Lessor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Vendor agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease. To the extent received, the Vendor will apply such Payments to satisfy the obligations of the Lessor under the CSA, and, so long as no event of default shall have occurred and be continuing under the CSA, any balance shall be paid to the Lessor on the same date such Payment is applied to satisfy such obligations of the Lessor, by transfer of immediately available funds to the Lessor at such address as may be specified to the Vendor in writing, or, if no such address is specified, by check mailed to the Lessor on such date at its address specified in § 18 of the Lease, and such balance shall be retained by the Lessor. The Vendor shall notify the Lessor at its address set forth in the Lease if the Vendor shall not receive any payment in respect of rental under § 3 of the Lease when due; provided, however, that the failure of the Vendor to so notify the Lessor shall not affect the obligations of the Lessor hereunder or under the CSA.

2. This Assignment is executed only as security and shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify, the liability of the Lessor under the Lease, it being agreed that notwithstanding this Assignment all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee against, and only against, the Lessor or persons other than the Vendor.

3. The Lessor will faithfully abide by, perform and discharge each and every obligation and agreement which the Lease provides are to be performed by the Lessor; without the written consent of the Vendor, the Lessor will not anticipate the rents under the Lease or waive or in any manner release the Lessee of or from the obligations, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease, and the Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

4. The Lessor does hereby constitute the Vendor the Lessor's true and lawful attorney, irrevocably, with full power (in the name of the Lessor, or otherwise), to demand, receive and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Lessor is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Vendor may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all sums due from the Lessor under the CSA, this Assignment and all rights herein assigned to the Vendor shall terminate, and all estate, right, title and interest of the Vendor in and to the Lease shall revert to the Lessor.

6. The Lessor will pay or discharge any and all claims, liens, charges or security interests (other than those created by the CSA) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Lessor or its successors or assigns (other than the Vendor), and, to the extent that the Lessor receives funds sufficient for such purpose from the Beneficiary or its successors or assigns, will pay or discharge any and all of the same claimed by any party from, through or under the Vendee, or its successors or assigns (other than the Vendor), not arising out of the transactions contemplated by the CSA or the Lease (but including tax liens arising out of the receipt of the income and proceeds from the Units) which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease or such rentals or other payments equal or superior to the

Vendor's interest therein, unless the Lessor shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect such interests of the Vendor.

7. The Lessor will, from time to time, execute, acknowledge and deliver any and all further instruments required by law or reasonably requested by the Vendor in order to confirm or further assure the interest of the Vendor hereunder.

8. The Vendor may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such assignee shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Vendor hereunder.

9. This Assignment shall be governed by the laws of the Commonwealth of Massachusetts but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

10. The Lessor shall cause copies of all notices received in connection with the Lease and all Payments to be promptly delivered or made to the Vendor at its address set forth in Paragraph 11 of the Participation Agreement.

11. The Vendor agrees with the Lessor that, so long as no event of default under the CSA has occurred and is continuing, the Vendor will not exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits which are assigned by the Lessor to the Vendor by this Assignment to the extent they are for the sole benefit of the Lessor and not required to satisfy the obligations of the Lessor under the CSA, without the prior consent of the Lessor.

12. Notwithstanding any other provision of this Assignment (including, but not limited to, any provision of the first paragraph of Paragraph 1 and Paragraph 3 hereof), (a) so long as there is no event of default under the CSA, and to the extent that the Vendor does not seek to receive

and collect any Payments under the Lease in excess of the amounts required to discharge the obligations of the Lessor under the CSA, this Assignment shall not limit or in any way affect the Lessor's right to receive and collect any Payments under the Lease in excess of the obligations of the Lessor under the CSA or amounts payable under § 16 of the Lease, or empower the Vendor to waive or release the Lessee's obligation to pay the same, and the Lessor shall continue to be empowered to demand, sue for, collect and receive any and all of such excess amounts and amounts payable under § 16 of the Lease, but the Lessor shall not take any action under subparagraph (y) of § 10 of the Lease without the written consent of the Vendor.

13. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Vendor shall be deemed to be the original and all others shall be deemed to be duplicates thereof. It shall not be necessary that any counterpart be signed by both parties so long as each party shall sign at least one counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by officers thereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

NEW ENGLAND MERCHANTS LEASING  
CORPORATION B-7,

by

  
President

[Corporate Seal]

Attest:

  
Assistant Clerk

MERCANTILE-SAFE DEPOSIT AND  
TRUST COMPANY, as Agent,

by

Assistant Vice President

[Corporate Seal]

Attest:

Corporate Trust Officer



COMMONWEALTH OF MASSACHUSETTS,)  
 ) ss.:  
 COUNTY OF SUFFOLK, )

On this 26<sup>th</sup> day of June 1980, before me personally appeared E.A. McCulloch, Jr., to me personally known, who, being by me duly sworn, says that he is a President of NEW ENGLAND MERCHANTS LEASING CORPORATION B-7, that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was a free act and deed of said Corporation.

  
 Notary Public

[Notarial Seal]

My Commission expires August 6, 1982

STATE OF MARYLAND,)  
 ) ss.:  
 CITY OF BALTIMORE,)

On this            day of June 1980, before me personally appeared           , to me personally known, who, being by me duly sworn, says that he is a            of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed on behalf of said banking corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said banking corporation.

\_\_\_\_\_  
 Notary Public

[Notarial Seal]

My Commission expires

## CONSENT AND AGREEMENT

The undersigned, GREAT LAKES CARBON CORPORATION (the "Lessee"), the lessee named in the Lease (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "Lease Assignment"), hereby (a) acknowledges receipt of a copy of the Lease Assignment and (b) consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) it will pay all rentals, casualty payments, liquidated damages, indemnities and other moneys (other than amounts not assigned by the Lessor (as defined in the Lease Assignment) as provided in Paragraph 1 of the Lease Assignment) provided for in the Lease (which moneys, other than such unassigned amounts, are hereinafter called the "Payments") due and to become due under the Lease or otherwise in respect of the Units (as defined in the Lease) leased thereunder, directly to Mercantile-Safe Deposit and Trust Company, as Agent (the "Vendor"), the assignee named in the Lease Assignment by 11:00 a.m. Baltimore time, on the date such payment is due, by bank wire transfer of immediately available funds to The Annapolis Bank and Trust Company, Main Street and Church Circle, Annapolis, Maryland, for credit to the Agent's Account No. 52076-1, with a request that The Annapolis Bank and Trust Company advise Mrs. K. M. Tollberg, Assistant Vice President, Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, that such funds are RE: GLCC 5/15/80C (or at such other address as may be furnished in writing to the Lessee by the Vendee);

(2) upon the written direction by the Vendor to the Lessee to pay the Payments otherwise than as provided in clause (1) of this paragraph, the Lessee will pay the Payments as provided in such direction;

(3) in accordance with and subject to the provisions of the Lease Assignment, the Vendor shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Vendor were named therein as the Lessor;

(4) it shall not be entitled to any abatement of rent or additional rent, reduction thereof or setoff

against or recoupment of rent or additional rent, including, but not limited to, abatements, reductions, setoffs or recoupments due or alleged to be due by reason of any past, present or future claims or counter-claims of the Lessee against the Lessor under the Lease or under the CSA referred to in the Lease Assignment, or against the Builder (as defined in the Lease Assignment) or the Vendor or otherwise;

(5) the Vendor shall not, by virtue of the Lease Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease;

(6) the Lease shall not, without the prior written consent of the Vendor, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof; and

(7) it will mail or deliver one copy of all notices, statements, documents or schedules given or delivered by it pursuant to the Lease or the Lease Assignment to both the Vendor and the Vendee (as defined in the Lease).

This Consent and Agreement, when accepted by the Vendor by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the State of New York and, for all purposes, shall be construed in accordance with the laws of said State.

GREAT LAKES CARBON CORPORATION,  
as Lessee,

by

---

[Corporate Seal]

Attest:

---

The foregoing Consent and Agreement is hereby  
accepted, as of the 15th day of May 1980.

MERCANTILE-SAFE DEPOSIT AND  
TRUST COMPANY, as Agent,

by \_\_\_\_\_

—

ASSIGNMENT OF LEASE AND AGREEMENT dated as of May 15, 1980 (this "Assignment"), by and between NEW ENGLAND MERCHANTS LEASING CORPORATION B-7 (hereinafter called the "Lessor" or the "Vendee"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent (the "Vendor"), under a Participation Agreement dated as of the date hereof (the "Participation Agreement").

WHEREAS the Vendee is entering into a Conditional Sale Agreement dated as of the date hereof (the "CSA") with Trinity Industries, Inc. (the "Builder"), providing for the sale to the Vendee of such units of railroad equipment (the "Units") described in Annex B thereto as are delivered to and accepted by the Vendee thereunder;

WHEREAS the Lessor and Great Lakes Carbon Corporation (the "Lessee"), have entered into a Lease of Railroad Equipment dated as of the date hereof (the "Lease"), providing for the leasing by the Lessor to the Lessee of the Units; and

WHEREAS, in order to provide security for the obligations of the Lessor under the CSA and as an inducement to the Vendor to invest in the CSA Indebtedness (as defined in the CSA), the Lessor agrees to assign for security purposes, to the extent herein provided, its rights in, to and under the Lease to the Vendor;

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Lessor hereby assigns, transfers and sets over unto the Vendor, as collateral security for the payment and performance of the obligations of the Lessor as Vendee under the CSA, all the Lessor's right, title and interest, powers, privileges and other benefits under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee or otherwise under or pursuant to the provisions of the Lease,

whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such moneys so assigned being herein-after called the "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Lessor is or may become entitled to do under and with respect to the Lease; provided, however, that the term Payments as used herein shall not be deemed to include amounts payable by the Lessee to the Lessor as indemnification pursuant to § 6, 9 or 16 of the Lease. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Lessor or as attorney for the Lessor to ask, demand, sue for, collect and receive any and all Payments to which the Lessor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Vendor agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease. To the extent received, the Vendor will apply such Payments to satisfy the obligations of the Lessor under the CSA, and, so long as no event of default shall have occurred and be continuing under the CSA, any balance shall be paid to the Lessor on the same date such Payment is applied to satisfy such obligations of the Lessor, by transfer of immediately available funds to the Lessor at such address as may be specified to the Vendor in writing, or, if no such address is specified, by check mailed to the Lessor on such date at its address specified in § 18 of the Lease, and such balance shall be retained by the Lessor. The Vendor shall notify the Lessor at its address set forth in the Lease if the Vendor shall not receive any payment in respect of rental under § 3 of the Lease when due; provided, however, that the failure of the Vendor to so notify the Lessor shall not affect the obligations of the Lessor hereunder or under the CSA.

2. This Assignment is executed only as security and shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify, the liability of the Lessor under the Lease, it being agreed that notwithstanding this Assignment all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee against, and only against, the Lessor or persons other than the Vendor.

3. The Lessor will faithfully abide by, perform and discharge each and every obligation and agreement which the Lease provides are to be performed by the Lessor; without the written consent of the Vendor, the Lessor will not anticipate the rents under the Lease or waive or in any manner release the Lessee of or from the obligations, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease, and the Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

4. The Lessor does hereby constitute the Vendor the Lessor's true and lawful attorney, irrevocably, with full power (in the name of the Lessor, or otherwise), to demand, receive and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Lessor is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Vendor may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all sums due from the Lessor under the CSA, this Assignment and all rights herein assigned to the Vendor shall terminate, and all estate, right, title and interest of the Vendor in and to the Lease shall revert to the Lessor.

6. The Lessor will pay or discharge any and all claims, liens, charges or security interests (other than those created by the CSA) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Lessor or its successors or assigns (other than the Vendor), and, to the extent that the Lessor receives funds sufficient for such purpose from the Beneficiary or its successors or assigns, will pay or discharge any and all of the same claimed by any party from, through or under the Vendee, or its successors or assigns (other than the Vendor), not arising out of the transactions contemplated by the CSA or the Lease (but including tax liens arising out of the receipt of the income and proceeds from the Units) which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease or such rentals or other payments equal or superior to the

Vendor's interest therein, unless the Lessor shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect such interests of the Vendor.

7. The Lessor will, from time to time, execute, acknowledge and deliver any and all further instruments required by law or reasonably requested by the Vendor in order to confirm or further assure the interest of the Vendor hereunder.

8. The Vendor may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such assignee shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Vendor hereunder.

9. This Assignment shall be governed by the laws of the Commonwealth of Massachusetts but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

10. The Lessor shall cause copies of all notices received in connection with the Lease and all Payments to be promptly delivered or made to the Vendor at its address set forth in Paragraph 11 of the Participation Agreement.

11. The Vendor agrees with the Lessor that, so long as no event of default under the CSA has occurred and is continuing, the Vendor will not exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits which are assigned by the Lessor to the Vendor by this Assignment to the extent they are for the sole benefit of the Lessor and not required to satisfy the obligations of the Lessor under the CSA, without the prior consent of the Lessor.

12. Notwithstanding any other provision of this Assignment (including, but not limited to, any provision of the first paragraph of Paragraph 1 and Paragraph 3 hereof), (a) so long as there is no event of default under the CSA, and to the extent that the Vendor does not seek to receive



and collect any Payments under the Lease in excess of the amounts required to discharge the obligations of the Lessor under the CSA, this Assignment shall not limit or in any way affect the Lessor's right to receive and collect any Payments under the Lease in excess of the obligations of the Lessor under the CSA or amounts payable under § 16 of the Lease, or empower the Vendor to waive or release the Lessee's obligation to pay the same, and the Lessor shall continue to be empowered to demand, sue for, collect and receive any and all of such excess amounts and amounts payable under § 16 of the Lease, but the Lessor shall not take any action under subparagraph (y) of § 10 of the Lease without the written consent of the Vendor.

13. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Vendor shall be deemed to be the original and all others shall be deemed to be duplicates thereof. It shall not be necessary that any counterpart be signed by both parties so long as each party shall sign at least one counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by officers thereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

NEW ENGLAND MERCHANTS LEASING  
CORPORATION B-7,

by

[Corporate Seal]

\_\_\_\_\_  
Vice President

Attest:

\_\_\_\_\_  
Assistant Clerk

MERCANTILE-SAFE DEPOSIT AND  
TRUST COMPANY, as Agent,

by

[Corporate Seal]

\_\_\_\_\_  
Assistant Vice President

Attest:

\_\_\_\_\_  
Corporate Trust Officer

COMMONWEALTH OF MASSACHUSETTS, )  
COUNTY OF SUFFOLK, ) ss.:

On this                    day of June 1980, before me personally appeared                    , to me personally known, who, being by me duly sworn, says that he is a                    of NEW ENGLAND MERCHANTS LEASING CORPORATION B-7, that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was a free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF MARYLAND, )  
 ) ss.:  
CITY OF BALTIMORE, )

On this                    day of June 1980, before me personally appeared                    , to me personally known, who, being by me duly sworn, says that he is a                    of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed on behalf of said banking corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said banking corporation.

Notary Public

[Notarial Seal]

My Commission expires

## CONSENT AND AGREEMENT

The undersigned, GREAT LAKES CARBON CORPORATION (the "Lessee"), the lessee named in the Lease (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "Lease Assignment"), hereby (a) acknowledges receipt of a copy of the Lease Assignment and (b) consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) it will pay all rentals, casualty payments, liquidated damages, indemnities and other moneys (other than amounts not assigned by the Lessor (as defined in the Lease Assignment) as provided in Paragraph 1 of the Lease Assignment) provided for in the Lease (which moneys, other than such unassigned amounts, are herein-after called the "Payments") due and to become due under the Lease or otherwise in respect of the Units (as defined in the Lease) leased thereunder, directly to Mercantile-Safe Deposit and Trust Company, as Agent (the "Vendor"), the assignee named in the Lease Assignment by 11:00 a.m. Baltimore time, on the date such payment is due, by bank wire transfer of immediately available funds to The Annapolis Bank and Trust Company, Main Street and Church Circle, Annapolis, Maryland, for credit to the Agent's Account No. 52076-1, with a request that The Annapolis Bank and Trust Company advise Mrs. K. M. Tollberg, Assistant Vice President, Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, that such funds are RE: GLCC 5/15/80C (or at such other address as may be furnished in writing to the Lessee by the Vendee);

(2) upon the written direction by the Vendor to the Lessee to pay the Payments otherwise than as provided in clause (1) of this paragraph, the Lessee will pay the Payments as provided in such direction;

(3) in accordance with and subject to the provisions of the Lease Assignment, the Vendor shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Vendor were named therein as the Lessor;

(4) it shall not be entitled to any abatement of rent or additional rent, reduction thereof or setoff

against or recoupment of rent or additional rent, including, but not limited to, abatements, reductions, setoffs or recoupments due or alleged to be due by reason of any past, present or future claims or counter-claims of the Lessee against the Lessor under the Lease or under the CSA referred to in the Lease Assignment, or against the Builder (as defined in the Lease Assignment) or the Vendor or otherwise;

(5) the Vendor shall not, by virtue of the Lease Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease;

(6) the Lease shall not, without the prior written consent of the Vendor, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof; and

(7) it will mail or deliver one copy of all notices, statements, documents or schedules given or delivered by it pursuant to the Lease or the Lease Assignment to both the Vendor and the Vendee (as defined in the Lease).

This Consent and Agreement, when accepted by the Vendor by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the State of New York and, for all purposes, shall be construed in accordance with the laws of said State.

GREAT LAKES CARBON CORPORATION,  
as Lessee,

by

A. Heerman

[Corporate Seal]

Attest:

---

The foregoing Consent and Agreement is hereby  
accepted, as of the 15th day of May 1980.

MERCANTILE-SAFE DEPOSIT AND  
TRUST COMPANY, as Agent,

by \_\_\_\_\_

ASSIGNMENT OF LEASE AND AGREEMENT dated as of May 15, 1980 (this "Assignment"), by and between NEW ENGLAND MERCHANTS LEASING CORPORATION B-7 (hereinafter called the "Lessor" or the "Vendee"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent (the "Vendor"), under a Participation Agreement dated as of the date hereof (the "Participation Agreement").

WHEREAS the Vendee is entering into a Conditional Sale Agreement dated as of the date hereof (the "CSA") with Trinity Industries, Inc. (the "Builder"), providing for the sale to the Vendee of such units of railroad equipment (the "Units") described in Annex B thereto as are delivered to and accepted by the Vendee thereunder;

WHEREAS the Lessor and Great Lakes Carbon Corporation (the "Lessee"), have entered into a Lease of Railroad Equipment dated as of the date hereof (the "Lease"), providing for the leasing by the Lessor to the Lessee of the Units; and

WHEREAS, in order to provide security for the obligations of the Lessor under the CSA and as an inducement to the Vendor to invest in the CSA Indebtedness (as defined in the CSA), the Lessor agrees to assign for security purposes, to the extent herein provided, its rights in, to and under the Lease to the Vendor;

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Lessor hereby assigns, transfers and sets over unto the Vendor, as collateral security for the payment and performance of the obligations of the Lessor as Vendee under the CSA, all the Lessor's right, title and interest, powers, privileges and other benefits under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee or otherwise under or pursuant to the provisions of the Lease,

whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such moneys so assigned being herein-after called the "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Lessor is or may become entitled to do under and with respect to the Lease; provided, however, that the term Payments as used herein shall not be deemed to include amounts payable by the Lessee to the Lessor as indemnification pursuant to § 6, 9 or 16 of the Lease. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Lessor or as attorney for the Lessor to ask, demand, sue for, collect and receive any and all Payments to which the Lessor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Vendor agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease. To the extent received, the Vendor will apply such Payments to satisfy the obligations of the Lessor under the CSA, and, so long as no event of default shall have occurred and be continuing under the CSA, any balance shall be paid to the Lessor on the same date such Payment is applied to satisfy such obligations of the Lessor, by transfer of immediately available funds to the Lessor at such address as may be specified to the Vendor in writing, or, if no such address is specified, by check mailed to the Lessor on such date at its address specified in § 18 of the Lease, and such balance shall be retained by the Lessor. The Vendor shall notify the Lessor at its address set forth in the Lease if the Vendor shall not receive any payment in respect of rental under § 3 of the Lease when due; provided, however, that the failure of the Vendor to so notify the Lessor shall not affect the obligations of the Lessor hereunder or under the CSA.

2. This Assignment is executed only as security and shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify, the liability of the Lessor under the Lease, it being agreed that notwithstanding this Assignment all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee against, and only against, the Lessor or persons other than the Vendor.

3. The Lessor will faithfully abide by, perform and discharge each and every obligation and agreement which the Lease provides are to be performed by the Lessor; without the written consent of the Vendor, the Lessor will not anticipate the rents under the Lease or waive or in any manner release the Lessee of or from the obligations, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease, and the Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

4. The Lessor does hereby constitute the Vendor the Lessor's true and lawful attorney, irrevocably, with full power (in the name of the Lessor, or otherwise), to demand, receive and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Lessor is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Vendor may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all sums due from the Lessor under the CSA, this Assignment and all rights herein assigned to the Vendor shall terminate, and all estate, right, title and interest of the Vendor in and to the Lease shall revert to the Lessor.

6. The Lessor will pay or discharge any and all claims, liens, charges or security interests (other than those created by the CSA) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Lessor or its successors or assigns (other than the Vendor), and, to the extent that the Lessor receives funds sufficient for such purpose from the Beneficiary or its successors or assigns, will pay or discharge any and all of the same claimed by any party from, through or under the Vendee, or its successors or assigns (other than the Vendor), not arising out of the transactions contemplated by the CSA or the Lease (but including tax liens arising out of the receipt of the income and proceeds from the Units) which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease or such rentals or other payments equal or superior to the



Vendor's interest therein, unless the Lessor shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect such interests of the Vendor.

7. The Lessor will, from time to time, execute, acknowledge and deliver any and all further instruments required by law or reasonably requested by the Vendor in order to confirm or further assure the interest of the Vendor hereunder.

8. The Vendor may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such assignee shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Vendor hereunder.

9. This Assignment shall be governed by the laws of the Commonwealth of Massachusetts but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

10. The Lessor shall cause copies of all notices received in connection with the Lease and all Payments to be promptly delivered or made to the Vendor at its address set forth in Paragraph 11 of the Participation Agreement.

11. The Vendor agrees with the Lessor that, so long as no event of default under the CSA has occurred and is continuing, the Vendor will not exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits which are assigned by the Lessor to the Vendor by this Assignment to the extent they are for the sole benefit of the Lessor and not required to satisfy the obligations of the Lessor under the CSA, without the prior consent of the Lessor.

12. Notwithstanding any other provision of this Assignment (including, but not limited to, any provision of the first paragraph of Paragraph 1 and Paragraph 3 hereof), (a) so long as there is no event of default under the CSA, and to the extent that the Vendor does not seek to receive

and collect any Payments under the Lease in excess of the amounts required to discharge the obligations of the Lessor under the CSA, this Assignment shall not limit or in any way affect the Lessor's right to receive and collect any Payments under the Lease in excess of the obligations of the Lessor under the CSA or amounts payable under § 16 of the Lease, or empower the Vendor to waive or release the Lessee's obligation to pay the same, and the Lessor shall continue to be empowered to demand, sue for, collect and receive any and all of such excess amounts and amounts payable under § 16 of the Lease, but the Lessor shall not take any action under subparagraph (y) of § 10 of the Lease without the written consent of the Vendor.

13. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Vendor shall be deemed to be the original and all others shall be deemed to be duplicates thereof. It shall not be necessary that any counterpart be signed by both parties so long as each party shall sign at least one counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by officers thereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

NEW ENGLAND MERCHANTS LEASING  
CORPORATION B-7,

by

[Corporate Seal]

\_\_\_\_\_  
Vice President


Attest:

\_\_\_\_\_  
Assistant Clerk

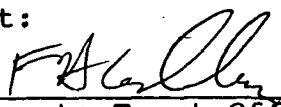
MERCANTILE-SAFE DEPOSIT AND  
TRUST COMPANY, as Agent,

by

[Corporate Seal]

  
\_\_\_\_\_  
Assistant Vice President

Attest:

  
\_\_\_\_\_  
Corporate Trust Officer

COMMONWEALTH OF MASSACHUSETTS, )  
 ) ss.:  
COUNTY OF SUFFOLK, )

On this            day of June 1980, before me personally appeared            , to me personally known, who, being by me duly sworn, says that he is a            of NEW ENGLAND MERCHANTS LEASING CORPORATION B-7, that the seal affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was a free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF MARYLAND, )  
 ) ss.:  
CITY OF BALTIMORE, )

On this 26<sup>th</sup> day of June 1980, before me personally appeared G. J. Johnston, to me personally known, who, being by me duly sworn, says that he is a VICE PRESIDENT of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed on behalf of said banking corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said banking corporation.

Notary Public

[Notarial Seal]

My Commission expires

## CONSENT AND AGREEMENT

The undersigned, GREAT LAKES CARBON CORPORATION (the "Lessee"), the lessee named in the Lease (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "Lease Assignment"), hereby (a) acknowledges receipt of a copy of the Lease Assignment and (b) consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) it will pay all rentals, casualty payments, liquidated damages, indemnities and other moneys (other than amounts not assigned by the Lessor (as defined in the Lease Assignment) as provided in Paragraph 1 of the Lease Assignment) provided for in the Lease (which moneys, other than such unassigned amounts, are herein-after called the "Payments") due and to become due under the Lease or otherwise in respect of the Units (as defined in the Lease) leased thereunder, directly to Mercantile-Safe Deposit and Trust Company, as Agent (the "Vendor"), the assignee named in the Lease Assignment by 11:00 a.m. Baltimore time, on the date such payment is due, by bank wire transfer of immediately available funds to The Annapolis Bank and Trust Company, Main Street and Church Circle, Annapolis, Maryland, for credit to the Agent's Account No. 52076-1, with a request that The Annapolis Bank and Trust Company advise Mrs. K. M. Tollberg, Assistant Vice President, Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, that such funds are RE: GLCC 5/15/80C (or at such other address as may be furnished in writing to the Lessee by the Vendee);

(2) upon the written direction by the Vendor to the Lessee to pay the Payments otherwise than as provided in clause (1) of this paragraph, the Lessee will pay the Payments as provided in such direction;

(3) in accordance with and subject to the provisions of the Lease Assignment, the Vendor shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Vendor were named therein as the Lessor;

(4) it shall not be entitled to any abatement of rent or additional rent, reduction thereof or setoff

against or recoupment of rent or additional rent, including, but not limited to, abatements, reductions, setoffs or recoupments due or alleged to be due by reason of any past, present or future claims or counter-claims of the Lessee against the Lessor under the Lease or under the CSA referred to in the Lease Assignment, or against the Builder (as defined in the Lease Assignment) or the Vendor or otherwise;

(5) the Vendor shall not, by virtue of the Lease Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease;

(6) the Lease shall not, without the prior written consent of the Vendor, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof; and

(7) it will mail or deliver one copy of all notices, statements, documents or schedules given or delivered by it pursuant to the Lease or the Lease Assignment to both the Vendor and the Vendee (as defined in the Lease).

This Consent and Agreement, when accepted by the Vendor by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the State of New York and, for all purposes, shall be construed in accordance with the laws of said State.

GREAT LAKES CARBON CORPORATION,  
as Lessee,

by \_\_\_\_\_

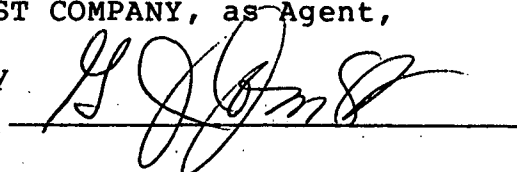
[Corporate Seal]

Attest:  
  
\_\_\_\_\_

The foregoing Consent and Agreement is hereby  
accepted, as of the 15th day of May 1980.

MERCANTILE-SAFE DEPOSIT AND  
TRUST COMPANY, as Agent,

by

A handwritten signature in dark ink, appearing to be "H. J. Jones", is written over a horizontal line. The signature is fluid and cursive.